



**bHANSALI ENGINEERING POLYMERS LIMITED**

An ISO 9001:2015 Company

---

# **Nomination and Remuneration Policy**

---



## **Contents**

**Introduction**

**Objective**

**Definitions**

**Role of committee**

**Membership**

**Chairman**

**Frequency of Meetings**

**Committee Members' interests**



**BHANSALI ENGINEERING POLYMERS LIMITED**

An ISO 9001:2015 Company

**Secretary**

**Voting**

**Nomination Duties**

**Remuneration Duties**

**Minutes of Committee Meetings**

**Amendments**



## **Nomination and Remuneration Policy**

### **1. INTRODUCTION**

The Board of Directors of \_\_\_\_\_ (“the Company”) constituted the “Nomination and Remuneration Committee”.

### **2. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) The Key Objectives of the Committee would be:

- ❖ To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ❖ To specify the manner for effective evaluation of the performance of the members of the Board and provide necessary support to the Board for evaluation.
- ❖ To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management based on the Company’s size, financial position and industry trends and practices.
- ❖ To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- ❖ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- ❖ To devise a policy on Board diversity
- ❖ To develop a succession plan for the Board and to regularly review the plan;

### **3. DEFINITIONS**

- a) **“Act”** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b) **“Board”** means Board of Directors of the Company.
- c) **“Company/ listed entity”** means Bhansali Engineering Polymers Limited
- d) **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- e) **“Directors”** mean Directors of the Company.
- f) **Independent Directors** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- g) **“Key Managerial Personnel”** means:
  - 1. Chief Executive Officer or the Managing Director or the Manager;
  - 2. Whole-time Director;
  - 3. Chief Financial Officer;
  - 4. Company Secretary; and
  - 5. Such other officers as may be prescribed.
- h) **“Senior Management”** means Senior Management as defined under Regulation 16(1)(d) of SEBI Listing Regulations, as amended from time to time.



#### **4. ROLE OF COMMITTEE**

The role of the Committee inter alia will be as under:

- ❖ To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- ❖ To prepare a description of the role and capabilities required of an independent director based on careful evaluation of balance of skills, knowledge and experience on the Board. Further, the person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
- ❖ To recommend to the Board the appointment and removal of Senior Management
- ❖ To formulate criteria for evaluation of Independent Directors and the Board;
- ❖ To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;
- ❖ To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- ❖ Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- ❖ To devise a policy on Board diversity;
- ❖ To develop a succession plan for the Board and to regularly review the plan;
- ❖ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

#### **5. MEMBERSHIP**

- ❖ The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and atleast half shall be Independent.
- ❖ Minimum two (2) members or one third of the members of the Committee, whichever is greater, including atleast one independent director in attendance shall constitute a quorum for the Committee meeting.
- ❖ Membership of the Committee shall be disclosed in the Annual Report.
- ❖ Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **6. CHAIRMAN**

- ❖ Chairperson of the Committee shall be an Independent Director.
- ❖ Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.
- ❖ In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- ❖ Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.



## **7. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required and at least once in a year.

## **8. COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **9. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **10. VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **11. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- ❖ Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ❖ Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- ❖ Identifying and recommending Directors who are to be put forward for retirement by rotation.
- ❖ Determining the appropriate size, diversity and composition of the Board;
- ❖ Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- ❖ Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- ❖ Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- ❖ Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ❖ Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- ❖ Recommend any necessary changes to the Board.
- ❖ Considering any other matters as may be requested by the Board; and

## **12. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- ❖ to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- ❖ to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.



- ❖ to recommend annual increment of remuneration for Managing Director/Whole-time Directors subject to approval of the Board of Directors & Shareholders.
- ❖ to recommend annual increment in Salary of Key Managerial Personnels (other than Managing Director/Whole-time Directors), Senior Management Personnel
- ❖ to delegate any of its powers to one or more of its members or the Secretary of the Committee
- ❖ to undertake Professional indemnity and liability insurance for Directors and senior management.
- ❖ to consider any other matters as may be requested by the Board.

### **13. REMUNERATION TO WHOLE-TIME / MANAGING DIRECTOR**

#### **Fixed pay:**

The Whole-time Director/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the Shareholders.

#### **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of the Companies Act, 2013.

#### **Provisions for excess remuneration:**

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval required under the Act, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by Special Resolution within two years from the date the sum becomes refundable.

#### **Remuneration to Non-Executive / Independent Director:**

##### **Sitting fees:**

The Non-Executive / Independent Director may receive remuneration by way of Sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such Sitting fees shall not exceed INR Fifty Thousand and Forty Thousand respectively for each meeting of the Board and Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

##### **Commission:**

The profit-linked Commission shall be paid within the monetary limit approved by the Board/ Shareholders of the Company subject to the extent permissible under Companies Act, 2013, rules and regulations, as amended from time to time and Articles of Association.

##### **Stock Options:**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.



**Remuneration to KMP, Senior Management Personnel and Other Employees:**

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

This Remuneration Policy shall apply to all continuing as well as future employment /engagement(s) with the Company.

**14. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings to be tabled at the subsequent Board and Committee meeting.

**15. DISCLOSURES**

The following disclosures are required under Companies Act, 2013 and the listing regulations:

- Nomination and Remuneration Policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's Report.

**16. AMENDMENTS**

This Policy may be amended by the Board on its own at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including SEBI Listing Regulations.

\*\*\*\*\*

